



CTA report recommendations would be devastating for Sask grain producers

March 3, 2016 – For Immediate Release - A Saskatchewan producer coalition is expressing its disappointment in the wake of the tabling of the Canada Transportation Act (CTA) Review on February 25.

The Review, commissioned by the previous Harper government, recommends the elimination of the Maximum Revenue Entitlement (MRE) Program within seven years, which would leave Saskatchewan's grain growers without shipping price protection to counter the monopoly pricing powers of the major railway companies. The producer coalition, which includes the Saskatchewan Wheat Development Commission (Sask Wheat), the Saskatchewan Barley Development Commission (SaskBarley) and the Agricultural Producers Association of Saskatchewan (APAS), believes the recommendations would have disastrous effects on Saskatchewan's economy should they be implemented.

"This report shows a complete disregard and lack of understanding of the financial implications for farmers and the harm these recommendations would cause to provincial economies," says Bill Gehl, Sask Wheat Chair. "However, we are happy to hear the initial reaction of Minister Garneau to the report. We are hearing that the consultations with farmers and others within the industry will continue and that the Government will take the report as advice only. We will also continue to push for a full railway costing review before any changes are made to the MRE."

The producer coalition presented recommendations to the CTA review panel in December 2014. The coalition framed their recommendations around four objectives that include fostering competition, increasing market transparency, being positioned for future growth, and ensuring producers have a voice in the transportation system.

"The recommendations of this report show that producers were not heard," says Jason Skotheim, SaskBarley Chair. "Producers are willing to pay their share for rail service but will suffer significant economic and structural damage if they are subject to uncontrolled railway rate pricing. It is critical we get this right and that the new government listen to producers before making any decisions."

The producer coalition recommended a full railway costing review be conducted before any adjustments are made to the MRE program, that a higher priority placed on producer cars, and that the CTA create a rail oversight group, that includes agricultural producer representation, to assess ongoing operations of the railways. During the CTA review process, the producer coalition demonstrated to the review panel evidence that railway revenues from grain shipments are more than fully compensatory.



“We need to ensure that the rate producers pay is fair and that it provides a fair return to railways so that they can make necessary investments,” says Norm Hall, APAS President. “A full costing review was an election promise from the Liberal party in the federal election and that’s the best place for the government to start. We will continue to work with other farm and commodity organizations to respond to the government consultations and defend the interests of farmers.”

- 30 -

For more information, please contact:

Dallas Carpenter
Communications Manager
Sask Wheat
306-220-7003

Jill McDonald
Executive Director
SaskBarley
306-370-7237

Todd Lewis
Vice President
APAS
306-537-6561